

SUPERMARKET FLORAL EXPLOSION IMPACTS SUPPLY CHAIN

> Supply chain reports continue to read like Murphy's Law — anything that can go wrong will. Labor shortages persist from production-level workers to pilots and truckers, and extreme weather continues to pummel growing areas, from the rain that flooded Dutch bulb fields to the extreme heat that damaged evergreens in the Pacific Northwest, to the tropical storms damaging flower fields. By this point, florists are used to hearing the latest unimaginable reason for why flowers are increasingly difficult to get.

If all of that wasn't enough, there's another player on the field that's gaining ground at an impressive pace: supermarket floral. These departments have experienced double-digit

increases since Mother's Day of 2020 when pandemic lockdowns were in full force. Supermarket floral sales were up nearly 25 percent year to date as of Oct. 3, 2021, according to a report for the Produce Marketing Association by Information Resources Inc. (IRI).

Idaho-based Albertsons Companies, with more than 2,200 stores in 34 states, launched a predesigned wedding floral collection for DIY wedding sales in time for last year's record-breaking wedding season. Midwest chain Schnuck Markets, with 112 stores in five states, reported a 35 percent increase in 2021 Father's Day floral sales, according to Produce Business.

Iowa-based Hy-Vee, Inc., with 280 stores in eight states, saw "phenomenal

floral department sales in 2021, because we really became that one-stop shop during the pandemic," says Jan Nichols, vice president of the floral and home department. "As we enter 2022, we're still seeing double-digit increases in some categories."

What's Hot at the Market

Roses hold the top spot in sales for supermarket floral, followed closely by potted plants and bouquets, according to IRI. The intense sales growth has had an impact on flower and plant supplies. Mass market floral sales have grown so much that they are competing for the roses that are available to wholesalers, says Oscar Fernandez, the Society



of American Florists' president-elect and director of sales for Equiflor/Rio Roses. Lakeland, Florida-based Publix Supermarkets, which has more than 1,200 stores in six states, ran a BOGO rose promotion in August 2020 and 2021 that sold about 10 million rose stems, according to Produce Business.

Holly Heider Chapple, owner and lead designer at Holly Heider Chapple Flowers LTD, in Loudon County, Virginia, experienced the supermarket supply impact during 2021's record-breaking wedding season. As she scrambled to obtain flowers, she discovered that grocery chains have bought entire farms of flower brands for their inventory. "Because flowers are finally doing well in

grocery stores, they're in greater pursuit of those blooms as well," she says. "In our local grocery store, they removed the store flower shop so they could make it bigger. Those flowers are increasing in demand."

Hy-Vee works through their own Iowa-based distribution company, Floral Distributing, Inc., and co-op Topco Associates, Inc., to secure the flowers they need for their 200 floral shops. "Topco does give us buying power. We get 99 percent of our bouquets and flowers from there and 50 percent of our plants," Nichols says. Hy-Vee aims to buy local as much as they can. "We buy fresh flowers from local Iowa farms and source our plants from growers in Iowa, northern Minnesota and southern Missouri — folks we've had partnerships with for over 30 years."

Green plants are a hot commodity in supermarket floral, holding the No. 2 spot for top-selling items according to IRI. "The houseplant trend is definitely back," Nichols says. "It's not anymore where I'll get a case of 12 plants and that's enough. Now we need hundreds of plants because they sell so fast. We recently bought eight truckloads of snake plants from a Florida grower we work with. Those plants went into our 200 floral shops and were gone in two days."

Because plants are selling so quickly, Hy-Vee stores are seeing customers treating the floral shops as a destination, wanting to be there when new plants arrive. At Gelson's Markets, with 27 stores in Los Angeles, floor plants with price points from \$40 to \$200 are a hit, selling out weekly.

Bouquets are the No. 3 seller for supermarkets, according to IRI, and many stores are catering to the self-care consumer with smaller bouquets at lower price points. "We've seen increases in our bouquet program and arrangements," Nichols says. "Our bouquets range from \$5 to \$50, and we see a lot of people picking up those \$5 bouquets. They're smaller and just the right size for a bathroom or home office desk."

The concept of everyday buying is one that's emerged strongly through the pandemic. "Before, we might have had customers come to floral two or three times each year for a big event, but now they're buying weekly for themselves," Nichols says. Other categories that are growing for Hy-Vee include FTD and Teleflora sales, as well as gifting.

Ways to Keep Your Flowers Coming

With roses, plants and bouquets filling the top three earning slots for supermarket floral, the competition for flowers and plants is likely to intensify. Your best defense against the competition and supply chain interruptions? Adopt a multifaceted strategy.

First, cultivate relationships with your suppliers and colleagues in the industry. Know your local growers, people you can partner with to help provide the flowers you need. Heider Chapple suggests that if you're overordering to ensure margins and have extra of something, check in with other local designers to see what they might need.

Consider Heider Chapple's advice of hand-picking your clients. This isn't the time to get that client who won't bend when you can't get roses or hydrangeas — but you can get other beautiful local flowers. "We have got to start thinking about the trends and opening up the color palette, looking at what beautiful flower types are available within your season," she says.

Finally, order early. The mantra might feel tired, but it's the key to getting what you need. For Nichols, ordering early means that she's already placed bouquet orders for 2023. "The numbers are preliminary, but we have to work that far ahead so we can get goods in time for ads and seasonal promotions," she says. "Like any florist, we are dealing with supply chain issues. We're adapting every single day." 🌸

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SHINING SHOWROOM Hy-Vee's new flagship store in Eau Claire, Wisconsin, features a newly designed floral department with a larger in-store footprint.

